

THE NATIONAL EXPORT STRATEGY 2010-2014, A REALISTIC ALTERNATIVE FOR THE ATTENUATION OF THE CRISIS EFFECTS

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Abstract

The Romanian economy is passing an economic recession period induced both by the persistence of the global financial crisis and the alarming evolution of the budget deficit and the consequences of the austerity measures upon the economic environment. In the actual conditions, Romania's external creditors ascertain and impose certain limits for the budget expenses, necessary for a financially stable economy. The imposed limitation or self-limitation of the expenses for a 6 months sacrifice period, that could reach one year or longer, does not guarantee the economic rebound when the measurements for the strategic attenuation of the crisis, for the creation of a sustainable and competitive economy, are inexistent. Certain long term strategic aspects to which the external creditors, especially the IMF do not pay enough attention, but that can assure the sustainability and competitiveness belong to the internal component of the business environment and climate, to the ways to fight corruption, bureaucracy, tax evasion or they assure legislative predictability in order to support a transparent and competitive environment and the development of a new managerial culture. Others belong to the manner in which we will manage to assure national solidarity through justice, social or medical assistance or the influence of the politic aspect on the economy, on the administration in the other spheres of the social and economic life. These depend mostly on how the political sphere will manage to reform itself. Others belong to the educational reformation and the growth of the educational services suppliers' capacity or to the research to sustain the companies' competitiveness.

Key-words: *export, National Export Strategy, competitiveness, durable competitive advantages, sustainable export development*

JEL Classification: O₁₁, E₆₀

Present background

Competitiveness among countries, regions, company clusters and individual companies is becoming more and more a moving target. Company level competitiveness constraints, especially in the case of SMEs, are harder to identify and overcome. In an increasingly globalised world, companies are not even aware of many such constrains. The global markets become extremely diversified for more and more customised products and services, with new products and commercialised services and a new type of network inter-connection, in a global

electronic space that modifies the behaviour of the companies, organisations, institutions and consumers. New business models emerge and the competition takes place not only between companies but also company clusters, and the company competition does not exclude cooperation in order to be more competitive in the network. The pressure of faster change than the competition in order to be competitive, to understand and action increasingly dictates a strategic answer to the new challenges. The financial global crisis, as well as the crisis of the current economic control under the aspect of the environment protection and nature conservation will continue to change the business models and will modify the markets or create new markets, facts demanding a strategic approach. The strategic response cannot be random, it has to be part of a consistent strategic process meaning consultation, analysis, focus, responsibility and determination for continuing the modification of the way trade and export are carried out. The path towards a new export culture means the permanent renewal of the strategic cycles. To this end, in the 2005-2009 period such a strategy was drafted and implemented, and this process will be repeated.

The globalisation of the world economy continues simultaneously with new challenges such as:

- the financial collapse and the behaviour of the financial institutions towards exporters;
- the increasing diversification and personalisation of the production and the market diversification;
- the emergence of services markets previously non- tradable, centred on the information technology;
- the new regulations imposed by the global management of the climatic and environmental changes;
- the ageing of the population and important migration flows;
- the faults regarding the good governance and the challenge of the new governance standards in the functionality of the institutions;
- the regional disparities going deeper within the EU;
- the scarcity of available resources, at the public budget level and company level, fact inducing the risk that the necessary reforms do not have adequate financing for the relapse of the economy and the employment offers.

The actual world crisis imposes increasing efforts on these sectors, in order to allow:

- their adaptation to the new international work division;
- the assurance of the ecosystem protection and durable development;
- their re-orientation towards new technologies and processes;
- better and more numerous jobs, with high level profiles and professionalism.

These challenges need not be seen only as weak points for the companies, but also as development and innovation opportunities.

Enterprises, especially SMEs, cannot respond to these challenges by themselves and entrepreneurial spirit should be encouraged, by reforms applied as fast as possible, for the betterment of the work environment of the companies, by:

- reducing the useless administrative pressure;

- the maintenance and betterment of the internal market;
- stimulation of the innovation;
- flexicurity measures, making the labour market flexible by maintaining the social objectives;
- a more predictable legislation;
- investments in the relation between the academic and scientific environment, in educating and training human resources, especially in the technical and scientific sciences, as well as in the development of the pilot markets.

The unfavourable global context emerged after the Romanian export performances were notable in 2007, when Romania joined the EU and its evolution indicated that there have been competitiveness resources at the level of the companies that afforded to infirm the foreknowledge of a decrease in the export after the adherence. The ISDs contributed to this evolution. Romania consolidated after the adherence opportunities and post-integration advantages, as shown in the SWOT analysis of the Romanian economy.

In conclusion, the current context requires radical changes in the trade and export for companies and company clusters, but also in the manner the activity takes place within the support institutions in order to find the best solutions to value certain durable competitive advantages with a maximum added value. It must not be forgotten that from the perspective of the EU affiliation and also for reasons of great change in the structure of the international trade (the rise of the new commercial powers and growth of the non EU markets), the re-orientation of a part of the export towards non-EU target markets is absolutely necessary.

The methodology of the National Export Strategy

The National Export Strategy (SNE) 2010-2014 is the 2nd exercise of this type for Romania. The experience cumulated during the anterior strategic cycle imposed the elaboration of a new national export strategy respecting the work methodology, as well as the managerial framework of the previous process. (...)

Each member of the team was acquainted with the design process of the strategy and its elaboration methodology.

Romania needs this new strategic cycle in order to:

- a) consolidate the competitive advantages gained during the anterior cycle;
- b) create new durable competitive advantages and new, more expanded and more consistent value chains;
- c) develop and diversify the support services of sustaining not only the potential exporters, but also the aspirant and developed ones
- d) strategically respond to the effects and challenges of the financial and economic crisis;
- e) consolidate the new consultative and partnership mentality in elaborating and implementing the SNE;
- f) raise awareness regarding the opportunities, instruments and institutions in the process of exporters' encouragement;
- g) increase the appetite for entrepreneurship, innovation and internationalisation of the Romanian companies;

h) diversify the exports and re-orient them strategically towards other non-EU countries.

Vision

The vision of a national competitiveness strategy to export and through export must indicate the destination and the path to follow not in quantitative terms, but in order to offer us enough trust and reasons to continue to be competitive as individuals and companies, company associations, regions or nation. Perseverance, along with creativity, permanent innovation and a fair management of all the resources can lead to the durable development of the export. The new NES's vision will focus on the stimulation and amplification of the companies' capacity to gain, create and retain more value in the country, by encouraging innovation and diversity of the export offer and of the export markets.

We still need to focus on the development of the competition, on quality, development of the human resources potential, on creating a healthy and receptive entrepreneurial mentality, from the company level to the entire business environment. The focus also has to be on the coordination and strengthening of the trade support network, the configuration of the offered services, coordination, synchronization and coherent communication plans, as well as on developing the business environment quality- both for the Romanian and the foreign companies. Taking into consideration that such an action plan will allow the maintenance and growth of the export role as economic growth drive, the new vision declaration will focus on durable development: *Durable development and national and regional economic welfare through export based on sustainable competitive advantages, quality and innovation.*

The paradigms and perspectives of NES 2010-2014

The NES paradigms are those incontestable and indispensable fundamental principles for the achievement of the vision. Similar to the previous strategy, these are:

The extended strategic purpose

Just like the previous exercise (2005-2009), NES 2010-2014 is not limited to the approach of the external issue of the export competitiveness, but it approaches all the components related to the export competitiveness, the interior ones, operational ones, customs, development, including regional and local.

The Public-Private Partnership (PPP) and the structured dialogue, the networking combining dialogue and top-down management with the bottom-up management

The second constant feature in the NES elaboration process was the active implication of both the public and private sectors. Therefore, all the entities interested in the export's competitiveness and its development were involved from the beginning in the elaboration process.

The analysis of the national and sectorial value chain

A third constant feature within NES is the analysis of the value chain, using modern analysis techniques. Therefore, under the patronage of DCE, a seminar was organised, with the participation of international experts, followed by a series of discussions with the sectorial work groups constituted within NES. In order to focalise the strategy, priorities have been established within each sector, using the analysis of the value chain. The value chain model offered a framework through which the opportunities to better the chain efficiency could be identified: gaining and retaining a greater proportion of the products' and services' value within the country, growing the competitiveness of the sector by identifying new value chains and enhancing the sector's contribution to the development objectives.

Implementation and measurement of the impact using advanced work methods – Balanced Score Card (BSC)

The fourth constant feature within NES is the maintenance of the methodology application of the BSC, developed by ITC Geneva, a management instrument for measuring the impact of the strategy. The method is efficient and practiced on a large scale in the corporate and public environments in the developed countries.

Strategy perspectives

The fifth constant feature within NES is the approach of exports development from all the relevant perspectives for the Romanian society (in the exterior corporate and public environments, the strategies have perspectives that make the objectives visible). In this document, *there are four perspectives that must have a relevant strategy for the accomplishment of the strategic vision and its applicability must be measurable in terms of impact.*

The four perspectives are:

- *the development perspective*, with the highest relevance among the interested ones that include the exporters' community and the rest of the individuals and entities that can contribute to the economic development through export;
- *the sectorial competitiveness perspective*, with the highest sectorial relevance, at level of business community of the sector;
- *the client perspective*, with the most relevance for the specific needs of the clients (the exporting companies, aspirant or potentially exporting);
- *the institutional perspective*, relevant for strengthening the institutional capacity to develop exports and to assure the NES management.

It is necessary to mention that the constant features described above have given force and originality to the previous strategic process, proving their importance in recognising the strategy and the involvement or shared responsibility in its implementation.

The SWOT and national value chain analysis

The elaboration of NES 2010-2014, which meant intense and systematic consultations with the business environments, took place under these challenges and targeted an adequate strategic answer for the exporters' community in Romania, the main clients of this process. The herein document includes the whole NES documentation realised in compliance with the work methodology used along the design stage and it sets the grounds for the achievement of the measures plan associated with the strategy and its implementation.

The SWOT analysis of the Romanian economy reveals that, by contrast with the previous 2005 SWOT analysis, Romania maintains its competitive advantages related to human resources but there are still important vulnerabilities persisting in this area. The EU affiliation amplifies the opportunities of the economy and the exporters.

According to the analysis, Romania has important competitiveness resources insufficiently exploited under the aspect of stability, predictability of the business environment, physic or business infrastructure, the market's and institutions' efficiency. It is not a coincidence that the report referring to the global competitiveness for 2019-2010 conducted by the World Economic Forum ascertains that, although Romania managed to take a leap in the general classification from the 68th position to the 54th, there still are very important areas for a national economy that, for us, are constituted as competitive disadvantages:

- the operation of institutions
- infrastructure, especially roads
- innovation
- macroeconomic instability
- labour market efficiency.

Regarding export relevance, these disadvantages have a direct impact on the ability to access foreign markets. To this ends, it is mandatory that over the next time period Romania better use its opportunities and strengths, as per this strategy, at the same time acting towards reducing threats and risks and diminishing the effects of its weaknesses. To this ends, the 2010-2014 NES will represent a continuation of certain strategic actions that have previously resulted in improving export performance.

NES 2010-2014: Vision, Objectives, Directions, Initiatives

Romania will engage in an international trade that is ever more diversified both under the aspect of material products as well as of services, wherein global production chains, globalisation and information technology radically alter the manner in which international trade is conducted. The economic crisis has shown that, under any circumstances, the ones to better hold up have been the innovative companies or regional concentration of innovative companies, those that have based themselves on sustainable competitive advantages and on a supportive national and regional environment. Human and social capital, the ability to cooperate in a territorial or national network, human factor training, new management abilities and skills, and a favourable business environment will continue to represent critical success factors. The EU affiliation also implies

aligning the vision and objectives of the strategy to the objectives of the Lisbon Agenda and the EU Global European Strategy. The way forward is therefore that of new competencies, abilities and competitiveness, at individual, company, company associations and central and local public authorities level, all seen through the lenses of the four NES perspectives.

NES 2010-2014 integrates initiatives and strategies at EU level regarding a better coordination of the national policies with the community policy on issues regarding the external market excess, competitiveness at company, region, cluster level, innovation policies, etc.

Starting from the vision and seeing this vision through the “lenses” of the four perspectives, the strategy identifies objectives, initiatives and targets to achieve in the 2010-2014 period, enumerated below.

The annexed work plan of this document presents the following:

- the objectives that try to define where we want to get, according to our vision and within one of the four NES specific perspectives;
- the initiatives defining forward how we plan to simulate, action, interaction in order to achieve the objectives proposed within the four different perspectives;
- the institutions responsible for the implementation;
- the necessary resources to take action;
- the targets defining quantitatively and qualitatively the performance ceilings for a certain initiative;
- the measure of the impact defining the achievement degree of the initiatives in order to calculate their impact.

During the extended analysis conducted within the NES 2010-2014 design stage, the following strategic objectives were identified:

1. *The capacity growth of the Romanian economy to add, retain and capture value in the national value chain by export of innovative products and services that are competitive on the long and durable term, sustainable as well, with the highest value as possible, based on new technologies within the creative industry.*

2. *The development of services and products based on the information technology, for the export and for more efficient national value chains and the increase of the Romanian companies’ competitiveness.*

3. *The creation of strong lobby groups and business support for the promotion of Romania’s business interests, a better use of the social networks in order to acknowledge the Romanian offer for export.*

4. *The access of the non-EU markets with competitive products, with a high added value.*

5. *The development of an export based on production capacities that assure the sustainability by the durable use of land, forests, energy and human resources, including the products, services and durable technologies to conserve and protect the environment export, the promotion and use of the low carbon industries.*

6. *The development of the regions and their export offer.*

7. The increase of the Romanian business culture in the areas of quality, design, innovation.

8. The development of the support services put at the disposal of the business environment by the public sector and the associative structures of the business environment or private companies.

The National Export Strategy will focus on a limited number of sectors or mega-sectors, as follows:

- The areas with tradition and good results with the export (clothes, footwear, furniture, wine production, handicraft).
- The areas with tradition and technologic transfer or favourable delocalisation of the ISD such as automobile constructions, transport means and components, electronic, electrotechnics, military technique.
- Information and communications technology, as central vector of the new economy that contributes decisively also to the national productive chains of all the export areas, exporting though a great amount of the production.
- The fields with high potential to export from the point of view of the global imperatives connected to high environment, health or noxious emissions reduction standards such as the ecological agriculture, the processing of the agricultural raw materials, low-carbon emission industry, professional services, design services or the ones connected to the capitalization of the regenerative energy sources; the professional services, the nano-technologies, the design or the technologies connected to the capitalization of the regenerative energy sources fall into the same category.

Special attention shall be shown to the areas where there are strategic investors (the automobile industry, ship constructions, electronic, IT, and so on) that generate positive effects in the value chain and attract related industries and investors, increase the value of the production in the country (energy), but also the level of preparation of the employees in the field (nano-technologies; equipment, technologies and training in the petrol field), with potential for the creation of clusters and for the support of the competitiveness poles and the increase of the people's standard of living.

Conclusions

This strategy, just as the previous one, is not a governmental one, but a partnership strategy with the business environments not only in the consultancy area, but also for implementing and monitoring its impact. As this is the second strategy of this type, elaborated under aegis of MEMCA and the Export Council, it offers the certainty of a beginning of traditions in finding common solutions in a public-private partnership, which means a change in mentality. The path to durable competitive advantages and a sustainable development of the export means assuming some common objectives within a national strategic response. The vision and the strategic objectives deriving from NES 2010-2014 and their implementation through the measures plan of NES are a safer means to attenuate the crisis' effects than the short time sacrifices made when close to bankruptcy.

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